



Rep. Lee A. Daniels

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1 AMENDMENT TO SENATE BILL 2367

2 AMENDMENT NO. _____. Amend Senate Bill 2367, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "Section 5. The Department of Human Services Act is amended
6 by adding Sections 1-35, 1-36, and 1-40 as follows:

7 (20 ILCS 1305/1-35 new)

8 Sec. 1-35. Community-based services contracting pilot
9 project.

10 (a) The Department of Human Services may initiate a 2-year
11 pilot project aimed at the improvement of delivery of
12 community-based services by contract, which will increase the
13 number of service contracts open to a competitive selection
14 process and utilize performance-based contracts in the
15 provision of such services. Only contracts for community-based
16 services executed under this project shall be subject to a
17 competitive selection process and performance measurement.
18 Nothing in this Section prohibits the continuation of contracts
19 that were subject to requests for proposals and executed before
20 June 30, 2004.

21 If implemented, the pilot project authorized by this
22 Section shall be directed toward community-based services that
23 assist Illinois residents in achieving self-sufficiency,
24 independence and health to the maximum extent possible by

1 providing integrated family-oriented services, promoting
2 prevention, and establishing measurable outcomes in
3 partnership with communities.

4 The 2-year pilot project must be implemented in a manner
5 that ensures the continuation of existing client and provider
6 relationships to the maximum extent possible in cases where
7 there is an ongoing plan of treatment. The pilot project shall
8 ensure that "critical access" providers of services, as defined
9 by rule, continue to provide essential services to the
10 communities serving persons who need such services.

11 (b) For the fiscal year beginning July 1, 2004, the
12 Department shall limit the total amount of expenditures for the
13 contracts issued under this project to \$64,000,000 with respect
14 to no more than the following services:

15 (1) Mental Health: Screening and Support Services.

16 (2) Mental Health: Preadmission Assessment and
17 Screening.

18 (3) Rehabilitation Services: Extended Services
19 Programs.

20 (4) Alcoholism and Substance Abuse: HIV Counseling and
21 Testing.

22 (5) Alcoholism and Substance Abuse: Technical
23 Assistance.

24 (6) Developmental Disabilities: Self-Advocacy
25 Training.

26 (7) Developmental Disabilities: Enhanced Respite
27 Services in Underserved Areas.

28 (8) Community Health and Prevention: Abstinence Only
29 Education.

30 (9) Community Health and Prevention: Early
31 Intervention and Family Connections.

32 (10) Community Health and Prevention: Crossroads
33 Program.

34 (11) Community Health and Prevention: Family Planning.

1 (12) Human Capital Development: Temporary Assistance
2 for Needy Families (TANF) - Work First.

3 (13) Human Capital Development: Temporary Assistance
4 for Needy Families (TANF) - Job Placement with Retention.

5 (14) Human Capital Development: Food Stamp Employment
6 and Training with retention.

7 (15) Human Capital Development: Emergency Food
8 Program.

9 (16) Human Capital Development: Emergency Food and
10 Shelter Program.

11 (17) Human Capital Development: Donated Funds
12 Initiative Employability Development Service (EDS).

13 The amount of the contracts to be issued and the programs
14 affected for subsequent fiscal years shall be established by
15 rule, which must be proposed by March 1 of each year.

16 (c) The Department must track real outcomes and
17 achievements that improve the quality of life for people.
18 Prospective bidders must provide affirmative statements in the
19 proposals submitted regarding the services to be provided and
20 the outcomes expected. Performance measurements must be
21 incorporated into the requests-for-proposals. Deliverables
22 must demonstrate performance and actual outcomes achieved.
23 Under the performance-based contracting system, providers must
24 be measured on the indicators set forth in the proposals
25 submitted and the contracts formally executed. Under this pilot
26 project, the Department shall not re-bid all of the community
27 service contracts under its jurisdiction. The Department may
28 only issue requests-for-proposals where an improved system is
29 expected to result. The Department may execute multi-year
30 agreements, when applicable, with annual renewals.

31 (d) Contracts under this Section shall include provisions
32 for (i) adequate and timely notice to a provider of any
33 determination by the Department that the provider is not in
34 compliance with the contract or any standards of performance

1 and (ii) an opportunity for the provider to take corrective
2 action. A contract may be terminated if the provider fails to
3 take corrective action. In the event of a contract termination,
4 the Department must ensure that eligible persons receiving
5 services under the contract will otherwise continue to receive
6 necessary services in the community.

7 (e) Additional procedures, supplementary payments, or
8 special rates may be adopted and implemented by the Department
9 to ensure that unique circumstances of local areas, as defined
10 by rule, can be met, including but not limited to circumstances
11 in which there are not sufficient services available to meet
12 basic needs or in which there is a need for specialty care.

13 (f) The Department must consult with stakeholders and
14 consumers in the implementation of this pilot project. The
15 Department must periodically conduct regional focus group
16 discussions with stakeholders (including consumers and
17 providers), legislators, foundations, trade associations, and
18 advocacy groups in the administration of and evaluation of this
19 system. The Department must implement a system using internet
20 technology under which concerned individuals will be able to
21 submit inquiries and receive responses about the system. The
22 Department must issue quarterly reports and post on its
23 internet website information about this project, information
24 about roundtable discussions with stakeholders, the content
25 and postings regarding the request-for-proposal process, the
26 Department's work with foundations and other experts in
27 grant-making, the evaluation of the request-for-proposal
28 processes, and the Department's work with stakeholders in
29 establishing criteria that will govern the determination of
30 future additional program areas that may be included in the
31 request-for-proposal process.

32 (g) The Department must establish an "ombudsman" system
33 that will enable providers and consumers to resolve problems
34 and disputes.

1 (h) The pilot project must be evaluated by an independent
2 contractor with expertise in such matters, and a preliminary
3 report on the progress and results of the project must be
4 submitted to the Governor and General Assembly by March 1, 2005
5 and a final report March 1, 2006. The General Assembly may
6 authorize an expansion of this pilot project by adoption of a
7 joint resolution.

8 (20 ILCS 1305/1-36 new)

9 Sec. 1-36. Fee-for-service contracts.

10 (a) The Illinois Department of Human Services shall
11 implement policies and procedures for the procurement of
12 community services under its jurisdiction in a manner that will
13 ensure the maximum amount of federal financial participation in
14 the cost of such services. For the community services that may
15 be eligible for federal financial participation, the
16 Department of Human Services may issue and execute contracts
17 that include provisions for payment on a fee-for-service basis
18 after January 1, 2005 under the terms and conditions set forth
19 in this Section. The Department may implement, prior to January
20 1, 2005, demonstrations of a payment system based on
21 fee-for-service contracts that will include any of the
22 categories of community services (alcoholism and substance
23 abuse, developmental disabilities, and mental health) for
24 which a memorandum of understanding has been issued under
25 subsection (d) of this Section.

26 (b) Contracts must ensure that the transition to a
27 fee-for-service payment methodology will not cause any person
28 receiving services to become ineligible or the level or quality
29 of their service to be diminished, nor cause any person to be
30 denied necessary services if the person is eligible for
31 services.

32 (c) The Department of Human Services, in consultation with
33 the departments of Public Aid, Public Health, and Children and

1 Family Services and the Department on Aging, if applicable to
2 the services under contract, shall adopt rules establishing the
3 criteria, standards, and procedures for issuing the
4 fee-for-service contracts, including but not limited to the
5 conditions of participation, performance standards, fees to be
6 paid for the service, the schedule for payment of bills and
7 reimbursement of claims, and the methodology for reconciling
8 advance payments. The Department may adopt emergency rules for
9 the immediate implementation of the demonstrations authorized
10 by subsection (a) of this Section.

11 (d) The Department shall develop and issue a separate
12 memorandum of understanding in cooperation with community
13 providers of alcoholism and substance abuse services,
14 developmental disabilities services, and mental health
15 services. The memorandum shall delineate the criteria,
16 standards, and procedures agreed upon to be covered by the
17 rules. The Department may not issue any contracts under this
18 Section until it issues the memorandum.

19 (e) To ensure continuity of services for recipients of
20 community services administered by the Department, and to
21 ensure a smooth transition from any payment methodology not
22 based on fee-for-service contracts, the Department shall,
23 subject to appropriation, provide an aggregate amount of
24 funding through a combination of grants and contracts that will
25 at least maintain the same level of services in effect for the
26 prior fiscal year beginning July 1, 2003.

27 (f) The Department shall implement policies and procedures
28 for recipients and providers of services to submit inquiries
29 and resolve disputes with regard to the community services
30 subject to contracts under this Section.

31 (g) The Department shall require cost reports from
32 providers of community services, as prescribed by rule, for the
33 community services for which the Department of Human Services
34 will contract under this Section to determine the cost of

1 services and other factors upon which the rates of payment
2 shall be based. The Department shall obtain an evaluation and
3 opinion by an independent certified public accountant
4 comparing reported costs and any proposed rates.

5 (h) The Department, in cooperation with representatives of
6 the providers of services through the Department's divisions of
7 Developmental Disabilities, Alcohol and Substance Abuse, and
8 Mental Health, shall, subject to the availability of funding,
9 conduct a comprehensive review of the methodology, used in
10 determining rates to be paid for community services after July
11 1, 2004, that is in effect on the effective date of this
12 amendatory Act of the 93rd General Assembly. The Department
13 shall complete this review by November 1, 2004.

14 (20 ILCS 1305/1-40 new)

15 Sec. 1-40. Reserve of funding prohibited. Neither the
16 Governor nor the Governor's Office of Management and Budget,
17 nor anyone acting on behalf of either of those, shall direct or
18 require the reserve or impoundment, or otherwise prohibit the
19 expenditure, of moneys appropriated to the Department for the
20 purpose of funding services provided through the Department's
21 divisions of Developmental Disabilities, Alcohol and Substance
22 Abuse, and Mental Health, provided that any such expenditure is
23 made pursuant to the Department's powers and duties as provided
24 by law.

25 Section 10. The Mental Health and Developmental
26 Disabilities Administrative Act is amended by adding Section
27 18.5 as follows:

28 (20 ILCS 1705/18.5 new)

29 Sec. 18.5. Community Developmental Disability Services
30 Medicaid Trust Fund; reimbursement.

31 (a) Any funds paid to the State by the federal government

1 under Title XIX or Title XXI of the Social Security Act for
2 services delivered by community developmental disability
3 services providers, and any interest earned thereon, shall be
4 deposited directly into the Community Developmental Disability
5 Services Medicaid Trust Fund.

6 (b) Moneys in the Community Developmental Disability
7 Services Medicaid Trust Fund, subject to annual appropriation,
8 shall be used to pay for Medicaid-reimbursed community
9 developmental disability services provided to eligible
10 individuals and chosen by the individual or his or her legal
11 guardian from available community services options. Once the
12 individual or legal guardian chooses the desired services, the
13 services are approved by the Department of Human Services, and
14 the provision of services is initiated, the Department shall
15 make payment to the community developmental disability
16 services provider. Prior to choosing a service or services, an
17 eligible individual or his or her legal guardian shall be fully
18 informed by the independent service coordination agency and the
19 provider of all available community services options.

20 (c) Funds spent under this Section shall not supplant other
21 funds appropriated from the General Revenue Fund for
22 community-based developmental disability services.

23 (d) For the purposes of this Section:

24 "Medicaid-reimbursed developmental disability services"
25 means services provided by a community developmental
26 disability provider under an agreement with the Department that
27 is eligible for reimbursement under the federal Title XIX
28 program or Title XXI program.

29 "Provider" means a community agency that is funded by the
30 Department to provide a Medicaid-reimbursed service.

31 (20 ILCS 1705/18.1 rep.)

32 Section 11. The Mental Health and Developmental
33 Disabilities Administrative Act is amended by repealing

1 Section 18.1.

2 Section 15. The State Prompt Payment Act is amended by
3 changing Section 1 and adding Section 8 as follows:

4 (30 ILCS 540/1) (from Ch. 127, par. 132.401)

5 Sec. 1. This Act applies to any State official or agency
6 authorized to provide for payment from State funds, by virtue
7 of any appropriation of the General Assembly, for goods or
8 services furnished to the State.

9 For purposes of this Act, "goods or services furnished to
10 the State" include but are not limited to covered health care
11 provided to eligible members and their covered dependents in
12 accordance with the State Employees Group Insurance Act of
13 1971, including coverage through a physician-owned health
14 maintenance organization under Section 6.1 of that Act.

15 For the purposes of this Act, "appropriate State official
16 or agency" is defined as the Director or Chief Executive or his
17 designee of that State agency or department or facility of such
18 agency or department. With respect to covered health care
19 provided to eligible members and their dependents in accordance
20 with the State Employees Group Insurance Act of 1971,
21 "appropriate State official or agency" also includes an
22 administrator of a program of health benefits under that Act.

23 As used in this Act, "eligible member" means a member who
24 is eligible for health benefits under the State Employees Group
25 Insurance Act of 1971, and "member" and "dependent" have the
26 meanings ascribed to those terms in that Act.

27 As used in this Act, "a proper bill or invoice" means a
28 bill or invoice that includes the information necessary for
29 processing the payment as may be specified by a State agency
30 and in rules adopted in accordance with this Act.

31 As used in this Act, "payment" means a payment of a
32 vendor's bill or invoice or a payment of a grant award, whether

1 in whole or in part.

2 (Source: P.A. 91-266, eff. 7-23-99; 92-384, eff. 7-1-02.)

3 (30 ILCS 540/8 new)

4 Sec. 8. Priority of payment.

5 (a) Definition. As used in this Section, "qualified
6 provider" means a not-for-profit organization that provides
7 non-residential services for the mentally ill or
8 developmentally disabled and is reimbursed or otherwise paid
9 for providing those services by the Illinois Department of
10 Human Services. A "qualified provider" does not include a
11 hospital licensed under the Hospital Licensing Act, a long-term
12 care facility licensed under the Nursing Home Care Act only
13 with respect to services provided in the licensed facility to
14 residents, or a local governmental unit or university. A
15 "qualified provider" also includes an entity licensed under the
16 Community-Integrated Living Arrangements Licensure and
17 Certification Act, but only with respect to the services
18 provided for a community-integrated living arrangement. The
19 Department of Human Services shall make the determination of
20 who is a "qualified provider".

21 (b) Processing by official or agency. Except as provided in
22 subsection (d), a bill or invoice for goods or services
23 furnished to the State submitted by a qualified provider and a
24 grant award payment to a qualified provider must be given
25 priority in processing. Any bill or invoice and any grant award
26 payment meeting these criteria that is submitted to an official
27 or agency must be processed and forwarded for payment before
28 any other bill, invoice, or grant award payment is processed or
29 forwarded for payment.

30 (c) A properly prepared voucher request to the Office of
31 the Comptroller for payment to a qualified provider, as defined
32 in this Section, shall be given priority by the Comptroller for
33 processing and warrant issuance after debt service obligations

1 and payroll obligations of the State have been met unless the
2 Comptroller deems that other obligations of the State must be
3 satisfied prior to these categories of payment. If at any time
4 the Comptroller determines that there are insufficient funds
5 available to process priority payments as required under this
6 Section, then vouchers shall be processed and paid out in a
7 first-in, first-out manner as corresponding funds become
8 available.

9 Section 20. The Community Services Act is amended by adding
10 Section 4.4 as follows:

11 (405 ILCS 30/4.4 new)

12 Sec. 4.4. Medicaid recipients; separate billing. The
13 Department of Human Services must bill the Department of Public
14 Aid separately for services provided to recipients of medical
15 assistance under Article V of the Illinois Public Aid Code
16 through the Division of Mental Health and for services provided
17 to such recipients through the Division of Developmental
18 Disabilities.

19 Section 99. Effective date. This Act takes effect upon
20 becoming law."